

# ESMA Launches a Common Supervisory Action with NCAs on the supervision of costs and fees of UCITS

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, is launching a Common Supervisory Action (CSA) with national competent authorities (NCAs) on the supervision of costs and fees of UCITS across the European Union (EU). The CSA will be conducted during 2021.

The CSAs aim is to assess the compliance of supervised entities with the relevant cost-related provisions in the UCITS framework, and the obligation of not charging investors with undue costs. For this purpose, the NCAs will take into account the [supervisory briefing on the supervision of costs](#) published by ESMA in June 2020.

The CSA will also cover entities employing Efficient Portfolio Management (EPM) techniques to assess whether they adhere to the requirements set out in the UCITS framework and [ESMA Guidelines on ETFs and other UCITS issues](#).

The work will be done on the basis of a common methodology developed by ESMA. While, the CSA assessment framework, including scope, methodology, supervisory expectations and timeline, results from a joint effort to carry out comprehensive supervisory action in a convergent manner.

Throughout 2021, NCAs will share knowledge and experiences through ESMA to ensure supervisory convergence in how they supervise cost-related issues, and ultimately enhance the protection of investors across the EU.

Ensuring greater convergence in the supervision of costs is an integral part of ESMA's broader efforts on the cost of retail investment products and is key to improving investors' confidence in financial markets and reducing costs associated with obtaining financial products. The topic of costs and performance for retail investment products was identified as one of the Union Strategic Supervisory Priorities for NCAs. Under [this Priority](#), ESMA said that NCAs would undertake supervisory action in 2021, coordinated by ESMA, on costs and fees charged by fund managers.